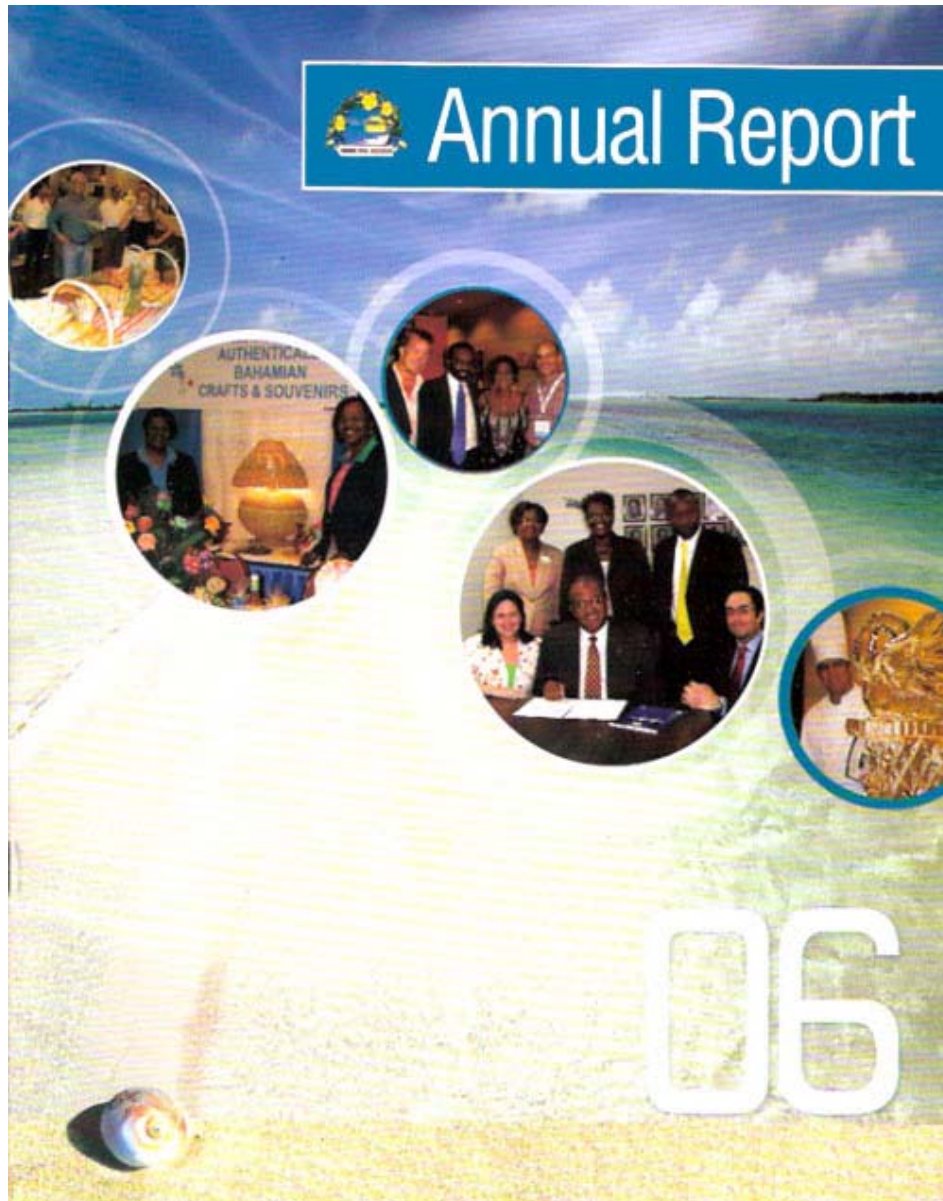


Following are excerpts from the Bahamas Hotel Association's 2006 Annual Report, chronicling key activities of the organization in 2006.



Below you will find the following reports:

- | | |
|--|-----------------------|
| • <i>President's Report</i> | <i>page 2</i> |
| • <i>Summary of 2006-2010 BHA Strategic Plan</i> | <i>page 3</i> |
| • <i>Advocacy Efforts</i> | <i>page 3</i> |
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President's Message

Greatness is Within Our Grasp



For many years The Bahamas has been a model for others in our region who've looked to us to understand why we have excelled in tourism. They have looked and they have learned.

Today, several of our competitors are matching or surpassing us. Those who have excelled best took a page from our highly touted approach to partnership. Indeed, historically this has been one of our great strengths --- working together....BHA, our Promotion Boards and other sister organizations....with the Ministry of Tourism, the Ministry of Education, the Ministry of Transportation and Aviation, the Royal Bahamas Police Force and others toward common goals. Together, we have achieved great things for our industry and our nation in marketing, product development, research and advocacy.

But times have changed...and so too must we.

This year we laid a new foundation upon which BHA can shape and build upon its tradition as a change agent for our industry and our nation. Our five year strategic plan - titled ***Profitability, Quality and Sustainability*** – provides a new level of focus, direction and commitment. It takes us into new uncharted realms of activity – like advancing sustainable development and education improvement. It challenges us to broaden our base of engagement, involvement and influence. It calls for a new level of partnership. We thank our many members and partners for their input.

If we are to once again be the envy of the region, and the world, we must continue to challenge ourselves. We must plan together as a community and as partners. Equally important, we must manage together. We must focus on common ground, rather than let differences keep us from achieving our potential.

This has been an exceptional year for the Bahamas Hotel Association. I invite you to review the ensuing pages of our Annual Report which provide an overview of our work.

I have thoroughly enjoyed these past two years of service to you and our nation as President of The Bahamas Hotel Association. We are on the right track and must not lose sight of what could be ahead. I want to thank our Executive Committee and other dedicated volunteers for helping to make a difference. Special appreciation to Cable Beach Resorts for allowing me the time to serve you. And a special thank you to our Executive Vice President Frank Comito and our exceptional BHA staff for all taking to heart the role which BHA does and must continue to play in building our industry and our nation.

Earle R. Bethell
President

BHA Adopts Five Year Plan

Calls for Profitability, Quality and Sustainability....

BHA Mission

The Bahamas Hotel Association serves the needs of its members by facilitating the profitability, quality, and sustainability of tourism for The Bahamas.

Key Goals – Strategic Plan: 2006-2010

- 1. Advocacy:** *To be the leading unified advocacy voice for Bahamian tourism.*
- 2. Tourism Advancement and Protection:** *To address and make immediate impact on industry needs in the areas of workforce development, sustainable development, crime prevention and any industry-related issue that directly or indirectly affects the hotel industry.*
- 3. Workforce Development:** *To be the leading resource for industry-related education and training by identifying industry educational and training needs and strengthen BHA's and partners' training, certification and standards programs.*
- 4. Membership Recruitment:** *To increase membership with prospective members who wish to proactively support the tourism industry.*
- 5. Membership Support Services:** *To effectively guide BHA members toward maximizing their business yields and customer satisfaction through relevant services and programs.*
- 6. National/Destination Marketing:** *To significantly support the strengthening of The Bahamas as the destination of choice.*
- 7. Organizational Marketing:** *To build a highly-recognizable and respected BHA brand to increase creditability.*
- 8. Organizational Infrastructure:** *To operate as a sustainable and financially-healthy organization under the guidance of consistent Board and Staff leadership.*

Advocacy:

Advancing Policies, Programs and Initiatives Important to Our Industry's Growth and Sustainability....

Western Hemisphere Travel Initiative Takes Effect

With a significant number of US travelers to The Bahamas not possessing a US Passport, the industry is bracing for an unknown impact when the US Western Hemisphere Travel Initiative take effect January 23, 2007 requiring all US citizens returning to the US from a Caribbean country to present a passport in order to re-enter their country.

The Bahamas and the region were successful in securing a one-year extension to the requirement which was originally set for implementation in January, 2006. However, efforts to secure a further extension failed to succeed and the matter worsened when the US Congress granted an additional

extension to cruise travelers, adding to the competitive advantage which they already have over land-based travelers.



CAPTION: Regular meetings were held with Minister of Tourism Obie Wilchcombe and the Executive Committee throughout the year to work on matters of mutual interest.

BHA, with its Promotion Board partners and the Ministry of Tourism have not sat idle during the past year, rolling out a public awareness campaign which included trade and travel press information, poster and countertop displays, notices on reservation and billing information, website information, notices at immigration points of entry, and other avenues.

Our efforts were complimented by those of several airlines, the Caribbean Tourism Organization and the Caribbean Hotel Association and over one-million dollars in advertising and notices provided by the New York Times in their Travel Sections since mid-year.

Estimates on the economic impact vary by property, time of the year, and island, but it is believe that lost business will be in the millions.

Watersports Legislation Passed – BHA Advises on Regulations & Enforcement

The long-called for legislation essential to supporting the essential management and enforcement of the commercial recreational watercraft industry (primarily Jet Skis, Banana Boats and Parasailing operations), was enacted into law in May.

Industry representatives played an active part in the creation of the legislation putting in several hundred manhours to address matters such as licensing and registration, operational and safety standards, training, enforcement, maintenance and insurance. The legislation also addresses matters such as zoning and operational jurisdictions for craft and procedures for securing such. This is particularly important to the future development of the sector as pressures come to play to extend it beyond New Providence.

Over three years ago the industry pressed for a moratorium on new licenses for jet skis and similar craft, as incidents and blatant disregard of the law and common sense by some operators resulted in a steady rash of complaints and serious injuries. The moratorium was put in place in New Providence and last year was extended to the Family Islands.

Bowing to industry pressure and negative international press, last year the Government stepped up its enforcement of the craft sector, adding additional patrols and enforcement officers. A series of arrests have been made on Paradise Island by these officers and the newly established Bahamas Visitors Safety and Security Board (BVSSB) which BHA helped to form.

BHA has assisted in particular in the development of draft regulations to support the legislation. The real teeth behind the legislation will be in its enforcement and in the degree to which operators are able to be adequately insured.

Industry Supports National Healthcare Reform But... Raises Questions About Sustainability, Long-Term Cost and Choice

The Bahamas Hotel Association and the Bahamas Hotel Employers Association played an active role in support of the Coalition for National Health Care Reform, a group of business, trade union and professional medication organizations which supported reform but raised legitimate questions about the manageability, affordability, sustainability and lack of employer/employee choice in the program initially advanced by Government.

With its Coalition partners, BHA supported important research, outreach efforts to dialogue with Government, and a public awareness campaign on the issue.

Commitments were made by Government to work closely with the Coalition to shape a program which addresses some of their concerns and to have members directly engaged in a level of consultation which previously was not forthcoming.

BHA Argues Against Taxing for Comp Rooms

In an effort to close 'leakages' in underreporting by some hotels for room tax purposes, the Ministry of Finance has sought the cooperation of the Department of Hotel Licensing in collecting taxes for complimentary rooms. BHA has argued the inherent unfairness of penalizing hotels for contributing to marketing and promotional efforts which generate additional revenue for the public and private sectors and for providing complimentary rooms for charitable and other goodwill. The industry further argues that focus should be placed on enforcement efforts directed at those properties which may be abusing the system, rather than discouraging those operators who are committed to revenue producing activities.

Research conducted with competing destinations throughout the region reveals no other destination assesses taxes on complimentary rooms for marketing or goodwill. This information has been shared with the Minister of Tourism with a request for reconsideration. There has been a hold on collections while our request is being given consideration.

Engagement of Vacation Ownership Market a Big Issue

The vacation ownership market is taking off in The Bahamas. Taking many forms, including condo-hotels, timeshares, fractionals and residential rentals. The challenge facing the industry and Government lies with determining how best to engage these developments in our collective product development and marketing efforts, as well as ensuring levels of standards and supplemental revenue from these growing sectors.

The Ministry of Tourism has committed to work with BHA on this and has indicated that legislation is being drafted to address these sectors and their engagement. BHA has been involved in a regional study looking at how the other jurisdictions are working with these sectors.

Transportation and Infrastructure

All Major Airports Met Security Deadline

Faced with the real possibility that airports in The Bahamas could be barred from accepting direct flights to other countries from the Bahamas, the persistence and resilience of BHA, the Bahama Out Islands Promotion Board and the Ministry of Tourism paid off as deadlines were met this past January.

It was two years ago that the handwriting was placed clearly on the wall when US and international officials made it clear that the new requirements would take effect January 1, 2006. Industry

assessments were made of compliance readiness which pointed to major shortcomings, mostly attributed to new post-911 requirements.

The private sector and the MOT assisted in providing information, and in some cases equipment and other support to advance our readiness and met with officials from the Ministry of Transportation and Aviation (MOTA) regularly.

As the 11th hour approach, MOTA was able to secure considerable funding from the Government, to meet the huge manpower and equipment needs by the deadline.

Lynden Pindling International Passenger Flow Improves ***Passenger Flow Improves with New Equipment and Procedures***

The reconfiguration of the pre-Preclearance security screening flow and additional equipment and security both downstairs and upstairs eliminated the excessive lines, long waits and missed flights which were so prevalent in 2004 and 2005. The industry lobbied long and hard to make this a reality, even drawing up the initial designs and engaging all US and Bahamas stakeholders in a problem-solving exercise.

The US Government has given the green light for Phase III of the planned improvements which allows for the elimination of the upstairs security screening stations and for passengers to place checked baggage on a secured conveyer system prior to entering Pre-clearance. This will further speed up the passenger processing time. Once the Bahamas Government gives the green light, these further enhancements will be put in place.

Airport Management Team Hired

After years of preparation, an agreement was reached by the Government in October and signed between the Airport Authority and YVR Airport Services for the management and development of Lynden Pindling International Airport. The BHA/NPIP Airport Task Force met monthly with YVR's top management team to discuss both immediate and long-term improvements and development plans. Following a transitional turnover period, YVR will assume full management responsibilities in January, 2007. Shortly thereafter, a number of short-term improvements will be put in place. Preliminary designs for a new terminal have been drawn up. It is their goal to have a new terminal open within four years. The industry is represented on the new Nassau Airport Development Company by George Myers.

US Commits to Additional Pre-Clearance Officers

While reviewing the current and anticipated passenger processing needs through security at LPIA, BHA/NPIP's Airport Task Force realized that improvements in security processing required corresponding increased officer capacity by the US Customs and Border Protection to support pre-clearance processing. It was determined that the current level of 28 officers needed to be increased to at least 35. An appeal was made to US Ambassador for The Bahamas John Rood. He concurred and made a request late last year to the US authorities. Staffing was secured. In addition, prior to having them on board a commitment was made to allow sufficient overtime with the existing USCBP Officers to meet the demand.

Averting Christmas 2005 Fiasco

When the radar went down at NIA last Christmas and thousands of travelers were left stranded, BHA raised a number of questions. Why was there no backup system? Why was communication to airlines and hotels so poor? Why were provisions not in place to quickly and adequately handle displaced visitors? Why was essential aviation fuel not available as well? These questions were presented to the Prime Minister who personally intervened to seek answers to them and put in place procedures to avert such a problem in the future.

The incident prompted BHA and the Ministry of Tourism to review its policies and procedures and crisis management procedures have been put in place to deal with these types of situations. BHA also adopted a 'distress policy' which recommends to member hotels how to best handle travel arrangements in the event a traveler would either need to postpone, cancel or extend their travel in The Bahamas due to a major airport incident which disrupts air travel.

Nassau-Paradise Island Hotel Members Purchasing Additional Seating at LPIA

Increasingly, it is becoming difficult for visitors to find a place to sit in the US departure lounge at LPIA. This prompted BHA members from Nassau-Paradise Island hotels through the Nassau Paradise Island Promotion Board to offer to purchase additional seating earlier this year. Once approvals for duty exemption are received, the seating will be order. YVR, the airport management team, has advised on the appropriate seating.

Long Island Averts Major Airport Catastrophe, Seeking Long-Term Solution

When Stella Maris airport was abruptly closed in February due to runway safety considerations, it caused considerable economic hardship to the island's two member hotels serving northern Long Island – Stella Maris and Cape Santa Maria – and the island's economy in general. Quickly, members enlisted the support of BHA, the Ministry of Tourism and the Bahamas Out Islands Promotion Board to assist with a resolution. The Ministry of Transport and Aviation responded to the urgings of all stakeholders and within two weeks a resolution was reached. The runway was resurfaced and limited service was reinstated. The airport has been turned over to the Government and with industry, a long-term plan for extending the runway and relocating the terminal and support facilities is being worked out.

Pre-Clearance in Grand Bahama Almost Lost

During a meeting by BHA's NIA Task Force with US officials in June it was learned that a review was being undertaken in Washington to determine whether to suspend pre-clearance in Grand Bahama due primarily to the diminished volume of air traffic to the US as well as some security breeches. BHA expressed concerns about this possibility to the Ambassador and has brokered discussions between all affected parties. The Ministry of Tourism prepared information showing anticipated increased air traffic due to the Ginn investment, the anticipated sale and reopening of the Royal Oasis property, and other expansion projects. The Ministry of Tourism is involved with the Ministry of Foreign Affairs in seeking to prevent the suspension and BHA member representatives in Grand Bahama were alerted and worked on the matter as well. Later in the year, US Ambassador John Rood announced that following his discussions in Washington it was decided not to seek closure, but to review the situation periodically. Should passenger volume not increase, he indicated they will need to take a serious look at continuance.

Workforce Development

BHA Steps Up Efforts in Education and Training

Reflecting the industry's growing concern over skills shortages and the tremendous opportunities available in the industry for Bahamians, BHA is placing unprecedented emphasis on education and training efforts.

Workforce Development Plan Adopted

Armed with two years of research, assessments and foundation building – by establishing a close working relationship with industry and education stakeholders, BHA stepped up its workforce development agenda in 2006. Backed with the support of member hotels and our three sister organizations – the Promotion Boards – BHA established a workforce development unit and a plan to guide its education and training activities over the coming years. Elements of that plan follow:

Seasoned Professional Hired to Guide Plan's Implementation

In July, 2006 BHA welcomed to its staff an individual with over twenty years experience both as an educator and a human resources professional, having spent several of those years in the hotel sector. Bridget Murray brings the level of enthusiasm, experience and expertise essential to supporting industry's role in strengthening our training and education improvement efforts.

BHAHRPA Ties BHA and Human Resources Professionals.....

The Bahamas Hotel Association Human Resources Professionals Association, an affiliated organization representing HR professionals, and BHA have pledged to continue to work toward the training and professional development of the industry. Among the areas of collaboration this year will be a continuation of customer service training workshops and the launching of the CARIBCERT



certification program. Member organizations with HR professionals who are not presently part of the BHAHRPA are invited to learn more about the group. For additional information contact the BHAHRPA President Karen Carey at 363-3000.

CAPTION: John Stafford from Tourism Training Canada, the firm contracted by CHA to support the delivery of the industry certification program, Caribcert, meets with the BHA Human Resources Professionals organization.

Customer Service Training Program Rolled Out BHA Partners with CHA and American Express

Building upon a highly successful customer service training program in 2005, BHA rolled out "Total Service" workshops this summer. Over 380 participants attended eight half day sessions held in New Providence, Grand Bahama and Abaco. In an effort to offer the program to more hotels and tourism enterprises, BHA, CHA and American Express also conducted a two-day "train-the-trainer" workshop for 21 trainers, teachers and industry professionals from New Providence, Abaco, Bimini, Grand Bahama and Eleuthera.



Industry-Wide Certification Program Launched

Following a very successful pilot in 2005, BHA kicked off the CARIBCERT Industry Credentialing Program, an industry certification program sponsored by CHA and BHA in partnership with Tourism Training Canada. For 2006 – 2007, BHA is targeting to enroll 400 industry professionals. Over 130 employees from five properties signed up for the first round which started this fall. These include the Radisson Cable Beach, the Wyndham Nassau Resort, Nassau Beach, Comfort Suites Paradise Island and Sandals Royal Bahamian. A second round is scheduled to begin early 2007.

CAPTION: AX-CHA-BHA Agreement –BHA President Earle Bethell, American Express representative Patricio Rubalcaba, and CHA Manager Ivette Martinez launch the Total Service customer service training program. Also present are Renee McKinney from Cable Beach Resorts, BHA Manager Bridget Murray and Sammy Gardiner from the Ministry of Tourism.

Thirty-Seven Pool/Spa Operators Certified

Noting the critical importance of maintaining the highest safety and health standards, BHA and Cable Beach Resorts teamed up earlier this year to sponsor a Pool/Spa Operators Certification Workshop. The course was offered as part of the National Swimming Pool Foundation's CPO® Training Program, an internationally recognized course tailored to operators, owners, managers, and attendants for hotels, spas, pool service companies, public health officers or anyone who has interaction with an aquatic facility.

Participants learned the latest practices and techniques to ensure: disease and infection prevention; important record-keeping practices; proper use of pool pumps and equipment; correct chemical testing practices; and trouble shooting to prevent and correct common problems.

Among those successfully completing the course were representatives from: Atlantis, the British Colonial Hilton, Nassau Beach Hotel, Old Bahama Bay in Grand Bahama, the Radisson, Sandals and the Wyndham Cable Beach.

Year Three Summer Educator Internship Program Held

Seventy-Eight educators received intensive exposure to the hospitality industry, and its range of careers and employer expectations as part of a Summer Education Internship program sponsored by BHA and the Ministry of Education with the Ministry of Tourism. The program included educators from all subject disciplines and grades, as well as guidance counselors and administrators from throughout The Bahamas.

During the past three years nearly 300 educators have participated in the BHA program. Its aim is to deepen teachers understanding of the myriad of career options within the industry and to transfer industry experiences to the classroom to better prepare students for the real world of work. BHA engages select teachers in the internship planning and has taken the program from success to success.

School Guidance Counselors Undergo Training

To assist counselors with directing and advising students on career choices; promoting the industry as a viable career, preferably of first choice; and seeking scholarship and internship opportunities for students who have expressed a serious interest in the industry, BHA organized a day-long workshop attended by 88 guidance counselors from 31 schools throughout the nation. Partnering with the Ministry of Education, the Ministry of Tourism and industry partners, the counselors eyes were opened as they learned of the many career opportunities, avenues for preparation and factors for succeeding in the industry.



CAPTION: Guidance Counselors and industry plan workshop together to heighten awareness about the industry, its career opportunities and employer expectations.

Pilot Student Internship Program Conducted

To assist students in the selection of their core academic program in high school and career selections afterwards, BHA piloted a student internship program last April. The program allow them to "field test" their interests, values and abilities in a work setting and exposes them to the industry's performance, attitudinal standards and expectations. Partnering with BHA on the pilot were Sandals Royal Bahamian and SuperClub Breezes. Twelve grade 9 students from C.C. Sweeting Jr. and St. John's College participated. The

program was intentionally small, serving as a pilot and learning program for BHA. A follow-up session with parents, teachers, industry supervisors and students affirmed the benefits of the early exposure program. The program is being planned on a larger scale for launch during March 2007 in New Providence and select family islands.

Education Signs IDB Loan to Support New Hospitality Programs in Schools

Major changes are in store shortly for education, as industry collaborates with Education to put in place new curriculum in the junior high schools and high schools, as well as at BTVI to better prepare students to enter the industry. BHA assisted the Ministry of Education two years ago in developing the proposed changes to curriculum and putting in place pilot hospitality programs in five senior high schools, as well as instituting hospitality training and a 'Bridge' program at the Bahamas Technical and Vocational Institute.

BHA participated in a three-day planning workshop this November when the project, titled SPTED (Support Program for Transforming Education & Training) was officially launched.

Industry Conducts Review of COB Apprenticeship Chefs and Culinary Programs

With a growing level of dissatisfaction expressed by the industry that the Culinary Arts Program and the Apprenticeship Chefs Program at the College of The Bahamas fails to meet industry's needs, BHA and the Bahamas Hotel Employers Association undertook a review of the programs.

The review included a series of sessions with all relevant stakeholders including hotel and restaurant managers, chefs, human resources professionals, educators and students. Enrollment data, site visits and research of successful international culinary programs was part of the review. A report was completed in September and shared with COB. It includes a series of recommendations aimed at advancing the industry's short-term and long-term needs to recruit, train and certify in order to meet existing and anticipated needs.

College of The Bahamas Tourism & Culinary Programs Undergoing Major Change

With a new President at the helm, and a soon to be new Executive Director, Dr. Lincoln Marshall, for the renamed COB program – the Culinary and Hospitality Management Institute – COB has pledged to industry a new level of commitment to building a program which meets the needs of the industry and the future workforce. Led by Dr. Rhonda Chipman Johnson and Cable Beach Resorts Executive Robert Sands, a Steering Committee was formed in October and is hard at work shaping a new program. The review conducted by BHA earlier in the year is serving as an excellent resource in guiding the program. BHA, with its sister organization the Bahamas Hotel Employers Association, has contracted with Chef Vanessa Riley, who was a former instructor at COB, to assist with the transformation effort. Dr. Marshall, who assumes his new post in January, spent a number of days this fall in The Bahamas meeting with the Steering Committee, industry and the COB team to assess the situation and advise in the planning for new program approaches.

Hoteliers Support Re-Launch of Adopt-A-School Program

BHA assisted the Ministry of Tourism in relaunching the Adopt-A-School program. Over a dozen hotels are sponsoring over 24 schools, and the program is expanding.

Two Additional Scholarships Awarded....More Planned

Thanks to the generous support of sixteen of our members who assisted with room and air travel donations to the Caribbean Hotel Foundation Silent Auction – two more scholarships have been awarded to the Bahamas, adding to the one which was granted the previous year.

Annette Nesbitt, an employee at Radisson Cable Beach was granted a \$3,500 scholarship to pursue her Bachelors in Hospitality Management at the Bahamas Hotel Training College. BHA student intern Helen Bhola, who graduated this year from the University of the West Indies, was awarded a \$2,000

scholarship to pursue her Masters at Florida International University.

They join Comfort Suites employee Joann Petty who was awarded a scholarship the previous year and is studying at Nova Southeastern University.

BHA members supporting the scholarship fund at last year's fundraiser included: Atlantis, Best Western Castaway's Resort, Bluff House Beach Club, the British Colonial Hilton, Club Land 'Or, Comfort Suites Paradise Island, Four Seasons, Gray Cliff Hotel & Restaurant, Flamingo Bay Marina & Yacht Club, Green Turtle Cay Club, Old Bahama Bay, Pelican Bay Hotel & Suites, Radisson Cable Beach Resort, Westin & Sheraton@Our Lucaya, Smith Orloff & Associates, and Gulfstream Continental Connection Airline.

"We want to express our appreciation to all those who supported the scholarship program and offer a special thank you to Gulfstream Continental Connection Airline for complementing every single hotel accommodation offer with air travel. This increased the value to each of our auction packages and helped make a big difference" stated Mr. Bethell.

Meanwhile, BHA, BHEA and the Bahamas Hotel Catering and Allied Workers Union finalized discussions for a new scholarship.

Sustainable Development

Looking Beyond Today...to the Future Health of the Industry

Industry to Define Role in Sustainable Development

In a visionary step, BHA adopted a provision in its five year strategic plan calling on the organization to develop and advance a sustainable development role for BHA and the industry. In fulfilling this mandate, early in 2007 BHA's newly formed Sustainable Development Committee will take a look at those factors which affect the long-term sustainability of the industry such as: having a better educated workforce; profitability; effective planning; environmental considerations; safety; strengthening entrepreneurial linkages; cultural integration; energy efficiency and other factors. From those deliberations, they will look at policies, practices and initiatives which should be advanced to support the long-term sustainability of the industry, and by extension, the nation.



STEMM Program Takes Root New Initiative Focuses on Small to Medium sized Enterprises

With a four-year grant of \$1.3 million from the Inter-American Development Bank, and matching support from BHA, the Promotion Boards and its partners in the Ministry of Tourism, the Antiquities, Monuments & Museums Corp., and the Caribbean Alliance for Sustainable Tourism, BHA kicked off the Sustainable Tourism

Entrepreneurial Management & Marketing (STEMM) project on April 1, 2006. The STEMM initiative targets 7 pilot destinations, including Abaco & Cays, Andros, Cat Island, Exuma & Cays, Eleuthera including Harbour Island & Spanish Wells, Grand Bahama, and New Providence. With particular focus on marina/sailing and heritage tourism as specific product clusters, the islands of Bimini, Long

Island, and San Salvador will also be prominently featured during the four-year project-implementation phase.



CAPTION: STEMM Grand Bahama (top) – STEMM Exuma (left) – STEMM Cat Island (bottom). STEMM Management Team led by Ruby Lee Sweeting and Dr. Jennifer Edwards canvas the islands to launch program and gain feedback from islanders. Pictured are stakeholder meetings held in Grand Bahama, Exuma, Eleuthera and Cat Island.

The project will assess the operational, environmental and marketing strengths and weaknesses of small to mid-sized hotels, attractions, excursions, marinas and other tourism-related offerings to ensure a level of standards which will support their inclusion in a new marketing thrust aimed at promoting the heritage, nature, eco, and cultural aspects of our tourism offering. Where standards are not met, the project will offer heavily subsidized technical assistance to bring the business up to speed.

Similar approaches to standards and cluster marketing have yielded great results in places like Costa Rica and Italy and opened doors to the growing adventure, heritage and nature tourism markets.

STEMM Project Management Team in Place

The STEMM project is being led by Project Manager Ruby Lee Sweeting and Lead Technical Consultant Dr. Jennifer Edwards. Ms. Sweeting brings 14 years of senior level private sector management experience, including working with the Bahamas Chamber of Commerce and managing a number of international trade and investment projects. Dr. Edwards, a specialist in Sustainable Tourism and Environmental Management, lectures at the UWI campus and is an environmental consultant with Green Hotels and Tourism Consultants Ltd. She has participated in a number of United Nations programs on sustainable development and has served on BHA's environment committee for several years.



Industry Sends Students to Environmental Camp

Thanks to the support from several BHA members and BHA, the top winners of this year's Coastal Awareness National School Competition won an all expense paid one-week trip to participate in the Wider Caribbean Environmental Youth Program, an environmental awareness camp in the U.S. Virgin Islands. The lucky winners included students from C R Walker High School, N. Eleuthera High School, Jack Haywood High School, CC Sweeting High School and South Andros High School.

The camp was held from July 27th to August 1st, 2006 at the Virgin Islands Environmental Resource Station (VIERS) on the island of St. John in the United States Virgin Islands. Among the activities which the students participated in were hiking through rain forests and to ancient Indian petroglyphs, snorkeling, plant walks, lectures by renowned coral reef researchers, park visits, and cultural presentations.

Student participation in the camp was made possible thanks to the Bahamas Hotel Association and member sponsors: the British Colonial Hilton, Atlantis, Old Bahama Bay in Grand Bahama, and Tiamo Resorts in Andros. Regional sponsors include: American Airlines, the Caribbean Hotel Association, the Caribbean Alliance for Sustainable Tourism, and Clean Islands International.

Outreach to Developers

With a number of new touristic developments underway, BHA began an outreach to developers starting this summer with visits to developers in Eleuthera, Abaco and Grand Bahama. The effort is exploratory, to learn firsthand about the plans for the developments, to explore areas where we can support one another, and to begin to build new relationships. This outreach is the beginning of a major thrust by BHA to create a new level of engagement.

Solar Exemption Expanded in 2006 Budget

In 2005 Parliament enacted a duty exemption for solar panels. While this helped to reduce the cost of going solar, the related components were not exempted and these represent over half the cost of installing solar. BHA communicated these concerns to the Government and also recommended additional classifications of equipment and materials for duty exemption, as a means of creating greater energy efficiencies, reducing costs, and protecting the environment. In the 2006 budget the Government reduced the duty for 'related components' for solar equipment to 19 percent.

Bahamas Visitor Safety & Security Board Making a Difference

With stepped up patrols along Paradise Island, Cable Beach and in downtown Nassau and an emphasis on stopping 'nuisance' crimes, the RBPF is seeking to create a safer environment for visitors and residents in those areas. Since the Visitor Safety and Security Section was established by the RBPF late last year, they have tallied several hundred arrests and have created an enhanced visibility on New Providence in areas frequented by visitors.

The Ministry of Tourism, BHA, the Nassau Tourism Development Board and others have created a new alliance with the Royal Bahamas Police Force aimed at improving coordination on visitor safety matters. A formal structure has been developed, the Bahamas Visitor Safety and Security Board, to coordinate the private sector's and Ministry of Tourism's efforts with the Police.

Among the projects planned are: the creation of carefully crafted safety messages for visitors using various mediums; the introduction of CCTV (closed circuit television) monitoring in high-traffic visitor areas; the placement of 'call-boxes' in key areas; establishing a direct hotline for visitors and businesses to report crimes, suspicious activities and provide information. It is hoped that the program can also be extended to others areas of The Bahamas. In that regard, a workshop was held in Abaco to share with Abaconians the program and invite them to establish a program there. BHA supported the Abaco outreach.

Recognizing Excellence

The Bahamas Hotel Association and the Ministry of Tourism Salute
All Who Were Recognized for Their Commitment to Excellence in 2006

BHA 2005 Cacique Winners

Paul O'Neil
Kerzner International
Hotelier of the Year

Avis Miller
Treasure Cay Resort and Marina, Abaco
Manager of the Year

Jason McBride
Radisson Cable Beach
Chef of the Year

Raymond Lowe
Green Turtle Club, Abaco
Supervisor of the Year

Marva Munroe
Pelican Bay at Lucaya, Grand Bahama
Sales Executive of the Year

Wilbert Knowles
Atlantis, Paradise Island
Employee of the Year

Sustainable Tourism Award
Earleston McPhee
Director for Sustainable Tourism
Bahamas Ministry of Tourism

Caribbean Hotel Association Awards
Raymond Lowe
Caribbean Supervisor of the Year

Taste of the Caribbean Culinary Awards

Team Gold

Tracey Sweeting, Radisson Cable Beach
Alpheus Ramsey, Atlantis
Kevin Cox, Lyford Cay Club
Jason McBride, Radisson Cable Beach
Frederick Cash (bartender), Wyndham Nassau Resort
Addiemae Farrington (team manager), Chef Instructor, College of The Bahamas

Hans Schenk Award for Most Innovative Caribbean Menu
Team Bahamas



Caribbean Pastry Chef of the Year
Tracey Sweeting, Radisson Cable Beach

Silver Medalists
Alpheus Ramsey, Atlantis
Frederick Cash (bartender), Wyndham Nassau Resort

Bronze Medalists
Kevin Cox, Lyford Cay Club
Jason McBride, Radisson Cable Beach



Member Support and Services

New BHA Website Unveiled

With an estimated 6-7,000 surfers per month, the BHA website has been revamped to take advantage of the tremendous potential it has and to become a better resource for members and to link our members with potential buyers of rooms, attractions and services.

The revamped site will capitalize on the consumer value of the BHA website, which shows up in the top five of most major search engines when search for 'Bahamas hotels'. By showcasing members and providing direct linkages to their websites, the Promotion Board websites and www.bahamas.com, the site will be a stronger conduit for generating business.

The site will also incorporate much of the information included in the recently produce BHA Suppliers and Buyers Guide, providing a comprehensive listing of hotel and allied members. The other key change in the website is the expansion of BHA information and resources – our programs, activities, research and information. The website includes a keyword search for rapid access to all our information, members, goods and services and directories. Purchasing officers and managers from hotels and restaurants, as well as the general public, will be able to quickly find many new suppliers, products and services online. The site can be accessed at www.bhahotels.com.

Work Begins on 2007 Member Suppliers and Buyers Guide

With over 2500 copies distributed in 2006, BHA has been receiving positive comments from members to the first publication of the BHA Suppliers and Buyers Guide. Plans are underway to produce the second edition. Members are encouraged to provide any constructive feedback on the first guide. Copies of the guide are still available by emailing or calling BHA.

Allied Member Trade Show Big Success

With an assortment of exhibitors showcasing and plying their goods and services, the consensus from both attendees and exhibitors was that this was again a success. Special thanks to the Bahamas Culinary Association and the Wyndham Nassau Resort and Casino for contributing to the success of the program, providing facilities and support for cooking and sculpting demonstrations and to the Bahamas Junior Culinary Team for Seleste Smith, Young Chef of the Year. Exhibitors recognized for the best.....booth.... included: Authentically Bahamian, Prime Bahamas Ltd and United Pork Producers.



CAPTION: Prime Bahamas awarded Best large booth (top); the Ministry of Tourism awarded Best Bahamian Booth (centre); and United Port captures Best Small Booth (bottom). A record number of attendees participated in this year's Allied Member Trade Show.



Silent Auction Creates Buzz

With a record number of items for bidding, and some exciting new gifts, BHA launched what promised to be its most successful auction to date at its end of year gala. A selection of over 100 items including airline tickets to London, Canada, the US and Caribbean, catered dinners, hotel stays, champagne, wine, lobster, steaks, massages, jewelry, perfumes, crafts, dinners, cruises, business services, excursions....provides a range of holiday gift items for visitors, residents and businesses.



Golf Tournament Yields Record Take

With over 100 golfers and a record number of sponsors, the 2006 golf tournament continues its record of success. Part of the proceeds from the October event have been committed to scholarships, with \$10,000 going toward a joint scholarship program being launched by BHA, the Bahamas Hotel Employers Association and the Bahamas Hotel Catering and Allied Workers Union.

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BHA Welcomes Twenty New Members

BHA continues to attract new members, recognizing the value of the organization and the importance of working together to grow and develop our nation's number one industry. Among the new members in 2006 are: Bakers Bay Golf & Ocean Club; Bernard Food Services; Cape Eleuthera Resort, Cape Systems Limited, Caribbean Flavours, Caribbean Hospitality Management Consultants, Doncar Hospitality Management, Exotic Vacations, French Leave Development, Glington/Sweeting/O'Brian Attorneys at Law, Global Consultants, HITS Wireless, Sunburst Paint, United Pork, Work Center and Vincguard Elsafe Caribbean.

BHA Policies of Member Note Adopted in 2006

Distress Policy Adopted to Maintain Consumer Goodwill

In the event of a major incident which seriously disrupts air travel to and from The Bahamas, the Bahamas Hotel Association (BHA) encourages all members to enact a Distress Policy which considers travelers who would either need to postpone, cancel or extend their travel in the Bahamas.

The policy, which was adopted by members this summer, gives the vacationer who is unable to reach the destination a choice of using deposits or prepayments toward a future stay at the same property in The Bahamas, or in the event that the vacationer cannot travel to The Bahamas at all, it provides the vacationer with an option of a full refund. Furthermore, the BHA encourages its members to be considerate in respect to hotel rates in cases in which guests must stay in the country beyond their original date of departure.

Although it is not mandatory that all hotels in The Bahamas should adopt the Distress Policy, the properties that are members of BHA are encouraged to adopt it. The Bahamas Hotel Association

also encourages hotels which are not members of the association to extend the goodwill policy to their guests. BHA's Distress Policy is designed to facilitate the comfort of guests as well as to protect the reputation of hotels and the destination of The Bahamas.

Language Regarding Tax and Levy to be Stated on Hotel Bills

Effective October 31, 2006 BHA operator members are advised to differentiate specifically between (1) Government Room Tax; (2) Resort Levy; and (3) other gratuities and fees your property may assess.

This notice, which also addresses a new ruling by the Hotel Licensing Department requiring that the room tax be noted specifically and separately, was issued to prevent misrepresentation by some hotels in the posting of taxes, levies and fees. In fact, a survey of hotels found that a number of properties who are not members of BHA or a Promotion Board were collecting the equivalent of promotion board levies under the guise of it being a government tax.

In order to promote consistency in the disclosure language used in guest folios and on billings, the Bahamas Hotel Association has adopted the following:

"As required by the Department of Hotel Licensing, there should be a clear distinction on guest statements and related notices that there is a "Six Percent Government Room Tax". Secondly, the guest statement and related notices should reference a " ___ Percent Resort Levy" The resort levy percentage should be the exact amount which your Promotion Board assesses – which varies from Promotion Board. Any other charges should be listed separately from these two charges and in a manner which your property elects".

DATES OF RATE CHANGE FOR 2007 - 2009

The following dates for rate change were approved by the Board of Directors for adoption by the Bahamas Hotel Association for general guideline purposes to members:

WINTER SEASON – 2007/2008	Sunday, December 23, 2007 through Saturday, April 19, 2008
SUMMER SEASON 2008	Sunday, April 20, 2008 through Saturday, December 20, 2008
WINTER SEASON – 2008/2009	Sunday, December 21, 2008 through Saturday, April 18, 2009
SUMMER SEASON – 2009	Sunday, April 19, 2009 through Saturday, December 20, 2009

National & Regional Activities

National Tourism Conference

Several BHA members assisted the Ministry of Tourism with their planning for the 2007 National Tourism Conference. While plans call for a week of activities, the conference itself kicks off on Wednesday, January 24th and will include a number of sessions and training workshops tailored to specific areas of the tourism industry. The conference will culminate with the Cacique Awards Ceremony on Friday, January 26th. For details see the Ministry of Tourism posting in the report.

Caribbean Marketplace 2008 in Bahamas

The region's largest travel market conference will be held at Atlantis in January 2008. Several thousand attendees from the region and the international travel market will converge on the Bahamas – providing the industry with a rare opportunity to showcase itself. The conference is being organized by BHA, the Ministry of Tourism and the Promotion Boards.

CHA and CTO Develop Caribbean Brand

In an effort to create a regional identity for marketing, standards and certification purposes, the Caribbean Tourism Organization and the Caribbean Hotel Association have teamed up and graphically created a regional brand. For a look and information, visit the CHA website at www.caribbeanhotels.org. Scroll down the middle to the 'brand' mention and access through the graphic. Standards for use of the brand can also be found at the website.

CHA Conducts Hotel Spend Study

Quantifying hotel expenditures for local goods and services as well as taxation is the objective of the Caribbean Hotel Association's Expenditure Study undertaken with support from the European Union's Centre for Development Enterprise ProInvest Fund.

The study was conducted in The Bahamas with the cooperation of BHA concentrated primarily on Antigua, Barbados, The Bahamas, Dominica, Dominican Republic, Guyana, Jamaica, St. Kitts-Nevis and St. Lucia. A series of on-island interviews were conducted in April. Preliminary results were reviewed at the CHA Board of Directors Meeting prior to the CHIC Conference, with the final report due to be released later in 2006.